



California Department of Health Care Services Behavioral Health Continuum Infrastructure Program Round 6, Part I: Unmet Needs Program Update

The California Department of Health Care Services (DHCS) launched the Behavioral Health Continuum Infrastructure Program (BHCIP) to address historic gaps in the behavioral health care continuum and meet the growing demand for services and support across the life span of vulnerable individuals in need. The following information is provided as a supplement to the forthcoming Request for Applications (RFA) for BHCIP Round 6, Part I: Unmet Needs.

State priorities for BHCIP:

- Invest in behavioral health and community care options that advance racial equity.
- Seek geographic equity of behavioral health and community care options.
- Address urgent gaps in the care continuum for people with behavioral health conditions, including seniors, adults with disabilities, and children and youth.
- Increase options across the life span that serve as an alternative to incarceration, hospitalization, homelessness, and institutionalization.
- Meet the needs of vulnerable populations with the greatest barriers to access, including people experiencing homelessness and justice involvement.
- Ensure care can be provided in the least restrictive settings to support community integration, choice, and autonomy.
- Leverage county and Medi-Cal investments to support ongoing sustainability.
- Leverage the historic state investments in housing and homelessness.

Overview

Through the first five BHCIP rounds, DHCS funding has allowed cities, counties, tribal entities, nonprofits, and other organizations in all regions of the state to develop an unparalleled array of new and expanded behavioral health facilities.

A gap analysis on BHCIP funding to-date coupled with existing behavioral health facilities across California has shown several regions, along with tribal entities, that continue to display unmet needs. Many counties in these regions are rural and/or small, making it challenging for individuals in these communities to readily access needed behavioral health services.

The gap analysis also examined population health disparities, including determining which populations were identified as high priority in the state road map to strengthen the behavioral health continuum¹ and survey data of Round 2 grantees, and cross-referenced which counties and regions had high unmet needs among these populations. These data were supported by findings in a 2022 DHCS report, “Assessing the Continuum of Care for Behavioral Health Services in California: Data, Stakeholder Perspectives, and Implications,”² and the Rand Corporation’s “Adult Psychiatric Bed Capacity, Need, and Shortage Estimates in California—2021.”³ DHCS also conducted a Listening Session pertaining to Round 6, Part I to gain feedback and recommendations from stakeholders.

Due to ongoing outstanding needs across California, disbursement of grant funds will continue to be available to all eligible applicants across all California regions and counties.

Behavioral Health Continuum Infrastructure Program

DHCS was authorized through 2021 [legislation](#) to establish BHCIP and award \$2.1 billion to construct, acquire, and expand properties and invest in mobile crisis infrastructure related to behavioral health. DHCS is releasing these funds through six grant rounds targeting various gaps in the state’s behavioral health facility infrastructure. The application process for Round 6 funds will occur in two parts. The RFA for Round 6, Part I will be released in January 2024, with award announcements anticipated in July 2024. The RFA for Round 6, Part II is expected for release in January 2025, with award announcements anticipated in July 2025. In this Part I, DHCS will award a total of \$240.4 million.

Five BHCIP funding rounds have been released since 2021:

- Round 1: Mobile Crisis, \$205 million (\$55 million Substance Abuse and Mental Health Services Administration grant funding)
- Round 2: County and Tribal Planning Grants, \$16 million
- Round 3: Launch Ready, \$518.5 million
- Round 4: Children and Youth, \$480.5 million
- Round 5: Crisis and Behavioral Health Continuum, \$430 million

Point in time facility types funded in BHCIP Rounds 3 through 5 and expanded bed and outpatient slot counts are enumerated in Appendixes A and B.

¹ [Policy Brief: Understanding California's Recent Behavioral Health Reform Efforts](#)

² [Prepared for DHCS](#) by Manatt Health.

³ McBain, Ryan K., Jonathan H. Cantor, Nicole K. Eberhart, Shreya S. Huilgol, and Ingrid Estrada-Darley, [Adult Psychiatric Bed Capacity, Need, and Shortage Estimates in California](#)—2021. Santa Monica, CA: RAND Corporation, 2022.



Technical Assistance

Advocates for Human Potential, Inc. (AHP), a consulting and research firm focused on improving health and human services systems, is serving as the administrative entity for BHCIP and will be assisting in technical assistance (TA) provisions.

Beginning in January 2024, AHP will hold virtual webinars and learning collaboratives to assist in application preparation. These events will review various project-related topics. TA will help applicants understand the minimum project requirements and budgeting practices. Minimum project requirements include a sustainable business plan, a conceptual site plan, architectural and engineering narratives, and an initial budget based on the site plan.

By March 2024 and as part of the RFA process, AHP will provide a pre-application consultation (PAC) to individual Round 6, Part I: Unmet Needs applicants. All prospective applicants will be required to engage in a PAC, which will provide an opportunity to discuss the proposed project, match requirements and potential sources of local match, statutory and regulatory requirements, how the project addresses local need/gaps and the State's priorities, and other related considerations. AHP will provide these PACs in coordination with Community Development Financial Institutions and real estate development experts. Applicants will submit a request for a PAC and complete a survey to indicate their understanding of the project requirements. The deadline to request a PAC will be three weeks before the application deadline.

Following award announcements, specialized TA will be provided to all BHCIP grantees. In addition, AHP will offer ongoing general training and TA, including learning collaboratives and other opportunities, for grantees throughout the life of the project.

Additional information and TA related to the RFA will be available on the [Building Cal HHS website](#). In addition, AHP will develop and update on an ongoing basis a list of Frequently Asked Questions (FAQs) that will be accessible to all prospective applicants and grantees.

Eligible Entities

Counties, cities, Tribal entities (including 638s and urban Indian clinics), nonprofit organizations, and for-profit organizations whose projects reflect the State's priorities are eligible to apply for this funding, noting the following stipulations and specifications:

- Projects must make a commitment to serve Medi-Cal beneficiaries.
- For-profit organizations, including private real estate developers, with related prior development experience who are collaborating with nonprofit organizations, tribal entities, or counties may apply, but will be required to demonstrate a legal agreement. (e.g., Memorandum of Understanding [MOU]) with the county, tribal entity, city, for-



profit organization, or nonprofit organization to confirm the organization’s role in the project, including that they are working on behalf of the service provider.)

Eligibility Considerations

All applicants must demonstrate how their infrastructure project will expand community-based facility capacity exclusively for behavioral health services in the continuum of care. Regional models or collaborative partnerships aimed at construction, renovation, and/or expansion of community-based services are eligible. In addition, scoring will take into consideration a focus on the State’s priorities, including efforts to advance racial equity and to expand services in regions and counties that currently do not have an adequate number of treatment options for behavioral health facilities—in particular, crisis stabilization units (CSU) and those that provide crisis stabilization services.

All applicants must describe the local needs based on “Assessing the Continuum of Care for Behavioral Health Services in California” and any local needs assessment used to justify the proposed expansion. All applicants will be required to demonstrate how the proposed project will advance racial equity. Projects will be required to certify that they will not exclude certain populations outside their mission or scope, such as those who are justice-involved or children and youth in foster care. BHCIP Round 6, Part I: Unmet Needs grantees with behavioral health facilities that offer Medi-Cal behavioral health services will be required to have a contract in place with their county to ensure the provision of Medi-Cal services once the funded facility’s expansion or construction is complete.

To be eligible for BHCIP Round 6, Part I: Unmet Needs funding, a project must demonstrate “project readiness.” The minimum threshold requirements for “project readiness” are as follows:

- Site control, defined as ownership, an executed Purchase and Sale Agreement (PSA), a mutually executed Letter of Intent (LOI), an in-place long-term lease (after award, must be extended to 30 years), or an executed Exclusive Negotiation Agreement (ENA).
- A sustainable business plan with 5-year projections (income and expenses) of future objectives and strategies for achieving them.
- A conceptual/schematic site plan with a forecast of the developmental potential of the property.
- Stakeholder support as demonstrated by letters of support from internal boards of directors, Tribal councils or advisory boards, and professional/community partners, as relevant.
- Demonstration of county and Medi-Cal investments to support ongoing sustainability.
- Match amount identified.
- Initial budget, one for each phase, and a total budget for acquisition and construction.



Three phases of project development will be considered during the evaluation of each application for BHCIP Round 6, Part I: Unmet Needs funding. Applicants must be in one of the three phases; applicants in later phases will be scored higher. All projects must meet the minimum threshold of project readiness to be awarded grant funds. Applicant projects are considered to be in a given phase of development only after they have met all of the requirements in the previous phase. Required documentation will be reviewed with each applicant during the PAC process and must be submitted as part of the application.

Projects will be funded by phase as each phase is successfully completed (outlined below) and demonstrated by the submission of relevant documentation. Allowable costs include pre-construction activities identified in the development phases.

- *Phase 1: Planning and pre-development*
 - Development team established; includes attorney, architect, and/or design-build team.
 - Site control, defined as ownership, an executed PSA, an executed LOI, a long-term lease, or an executed ENA.
 - Basis of design; includes architectural and engineering narratives.
 - Property-specific site investigation report and due diligence.
 - Budget with cost estimates based on site plan/drawings.

- *Phase 2: Design development*
 - Site control established with deed, PSA, option contract, LOI, or leasehold.
 - Site plan established with a schematic plan with architectural and engineering specifications.
 - Stakeholder support established as demonstrated by a letter from city/county/board of directors/tribal entity.
 - Able to gain building permits within six months of funding.
 - Able to close on land and gain building permits within six months of funding.
 - Able to start construction within nine months of funding.

- *Phase 3: Shovel ready*
 - Ownership of real estate site.
 - Preliminary plan check completed, with comments received.
 - Construction drawings complete or near completion.
 - General contractor (builder) selected and ready for hire.
 - Ninety percent of construction drawings ready for submission for building permit.
 - Building permit ready to be issued.
 - Able to start construction within 60 days or less.



- *Final Phase: Construction*
 - Projects that rehabilitate or renovate an existing facility are allowable as long as they result in an expansion of behavioral health services for the target population.
 - Furniture and equipment are not allowable costs.

Full funding of a proposed development project will be contingent on completion of all three phases of development planning. The planning and pre-development phase, which includes the submission of construction documents for building permit review, must be completed within six months of grant funding award.

Eligible Facility Types

The following facility types may be considered for project funding **only** if they are expanding behavioral health infrastructure. These types of programs can most effectively strengthen the community network of care to reduce or prevent overuse of residential care by managing more behavioral health conditions in the community.

Table 1. Eligible Facility Types

Round 6, Part I: Eligible Facility Types
Acute Psychiatric Hospital
Adolescent Residential SUD Treatment Facility
Adult Residential SUD Treatment Facility
Behavioral Health Urgent Care (BHUC)/Mental Health Urgent Care (MHUC)
Chemical Dependency Recovery Hospital
Children’s Crisis Residential Program (CCRP)
Community Mental Health Clinic (outpatient)
Community Residential Treatment System (CRTS)/Social Rehabilitation Program (SRP)
Community Treatment Facility (CTF)
Community Wellness/Prevention Center
Crisis Stabilization Unit (CSU)
General Acute Care Hospital (GACH)
Hospital-based Outpatient Treatment (outpatient detoxification/withdrawal management)
Intensive Outpatient Treatment for SUD
Mental Health Rehabilitation Center (MHRC)
Narcotic Treatment Program (NTP)
NTP Medication Unit
Office-based Outpatient Treatment
Outpatient Treatment for SUD
Partial Hospitalization Program
Peer Respite
Perinatal Residential SUD Facilities



Psychiatric Health Facility (PHF)
Psychiatric Residential Treatment Facility (PRTF)
Recovery Residence/Sober Living Home
School-linked Health Center
Short-term Residential Therapeutic Program (STRTP)
Skilled Nursing Facility with Special Treatment Program (SNF/STP)
Sobering Center (funded under the Drug Medi-Cal Organized Delivery System [DMC-ODS] and/or Community Supports)

For purposes of this funding, a Behavioral Health Urgent Care (BHUC) facility, also known as Mental Health Urgent Care (MHUC), is a walk-in center with voluntary stabilization-oriented services specific to individuals experiencing behavioral health or mental health crisis for less than 24 hours. This community-based option is typically designed to provide an alternative to emergency department visits for urgent medical needs. BHUCs/MHUCs must focus on serving individuals in need of crisis services, commit to serving Medi-Cal beneficiaries, and offer some or all of the following:

- Multi-disciplinary health assessment
- Psychiatric evaluation, diagnosis, and treatment
- Crisis stabilization and intervention, mental health counseling, and medication evaluation
- Direct referrals for treatment of care
- Linkage to community-based solutions
- Peer support

Facility types that are not eligible for funding:

- Correctional settings
- Schools

Applicants will be expected to define the types of facilities they will operate and explain how they will expand service capacity exclusively for community-based behavioral health facilities. Regional models and collaborative partnerships are strongly encouraged to apply.

Funding Parameters and Use Restrictions

Applicants will be expected to develop a competitive and itemized development budget that will be scored alongside applications for projects of similar setting types and sizes. In addition, scoring will take into consideration a focus on the State’s priorities, including efforts to advance racial equity and to expand services in regions and counties that currently do not have an adequate number of treatment options for behavioral health facilities—in particular, those that provide crisis stabilization services.

DHCS, AHP, and its subcontractors will conduct a financial viability assessment, considering continued fluctuations in construction and other costs. Through various TA activities, such as



the PAC, interviews, and financial document review, the State will assess long-term operational sustainability once the capital project is complete and in use for its intended purpose.

Encumbrance

Applicants will be required to commit to operate services in the financed facility for the intended purpose for a minimum of 30 years. The approved building use restriction will be detailed in the written contract.

Match

Match guidelines will be set according to applicant type:

- Tribal entities: 5 percent match
- Counties, cities, and nonprofit providers: 10 percent match
- For-profit providers and/or private organizations: 25 percent match

Match in the form of cash and in-kind contributions—such as land or existing structures—to the real costs of the project will be allowed. The State must approve the match source. Cash may come from the following sources:

- Local funding
- [Mental Health Services Act \(MHSA\)](#) funds in the 3-year plan (considered “other local”)
- Foundation/philanthropic support
- [Opioid settlement funds](#) for SUD facilities
- Loans or investments
- Incentive payments from managed care plans
- Another source

Services, Behavioral Health Subaccount funding, and State general funds will **not** be allowed as match.

Funding Regions

Regional funding caps will be established and the amounts available per region will be determined based on the Behavioral Health Subaccount.

In addition, 20 percent of funds available for BHCIP will be set aside for use in regions at the State’s discretion to ensure funding is effectively aligned with need. (For instance, this reserve money may be used to fund high-scoring projects in oversubscribed regions.)

Following an initial round of funding allocations (timeframes to be determined by DHCS), DHCS will conduct periodic reviews of the number of completed applications from each region. Any



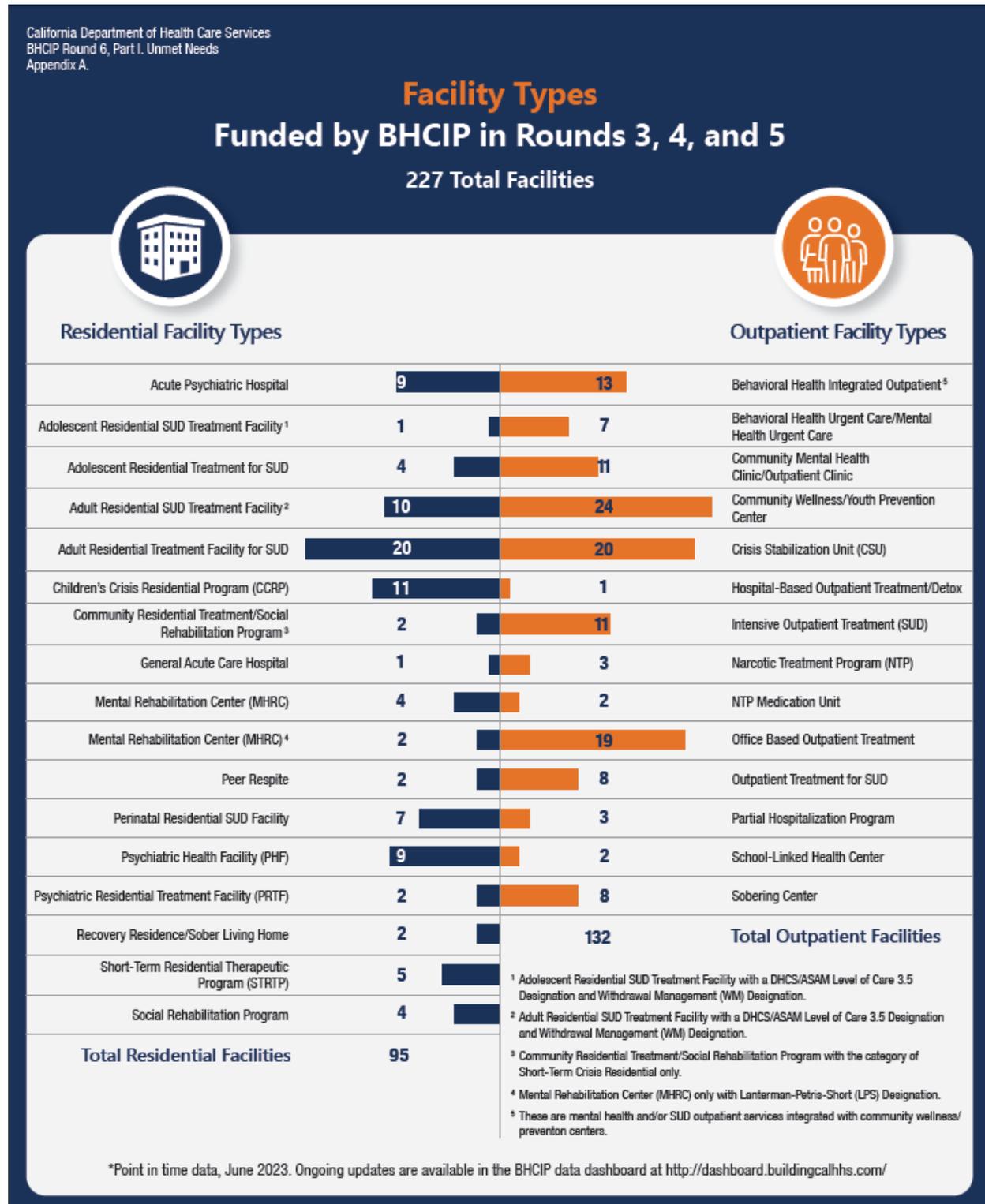
unspent funds may be considered for viable applications falling outside of the initial allocation priority schedules, geographical divisions, or other initial fund allocation restrictions.

Table 2. Regional Funding Allocations

Counties by Geographic Distribution	Estimated Targeted Funding Levels (Total available: \$240,400,000)
Los Angeles County	\$63,998,517
Bay Area: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma	\$37,142,893
Southern California: Imperial, Orange, Riverside, San Bernardino, San Diego, Ventura	\$35,215,971
San Joaquin Valley: Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare	\$20,656,540
Sacramento Area: El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba	\$10,920,646
Central Coast: Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz	\$6,914,313
Balance of State: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, Tuolumne	\$7,855,120
Tribal	\$12,020,000
Discretionary: The discretionary set-aside may also be used to fund high-scoring projects in regions that have met their funding reserve	\$45,676,000



Appendixes



California Department of Health Care Services
 BHCIP Round 6, Part I. Unmet Needs
 Appendix B.

Beds and Annual Outpatient Slots Funded by BHCIP in Rounds 3, 4, and 5



Residential Beds	2,448	289,235	Outpatient Slots
Acute Psychiatric Hospital	320	24,585	Behavioral Health Integrated Outpatient
Adolescent Residential SUD Treatment Facility ¹	8	20,658	Behavioral Health Urgent Care/Mental Health Urgent Care
Adolescent Residential Treatment for SUD	80	19,752	Community Mental Health Clinic/Outpatient Clinic
Adult Residential SUD Treatment Facility ²	405	80,585	Community Wellness/Youth Prevention Center
Adult Residential Treatment Facility for SUD	760	72,253	Crisis Stabilization Unit (CSU)
Children's Crisis Residential Program (CCRP)	88	600	Hospital-Based Outpatient Treatment/ Detox
Community Residential Treatment/Social Rehabilitation Program ³	30	10,300	Intensive Outpatient Treatment (SUD)
General Acute Care Hospital	42	2,464	Narcotic Treatment Program (NTP)
Mental Rehabilitation Center (MHRC)	230	600	NTP Medication Unit
Mental Rehabilitation Center (MHRC) ⁴	43	29,645	Office-based Outpatient Treatment
Peer Respite	22	1,653	Outpatient Treatment for SUD
Perinatal Residential SUD Facility	132	1,305	Partial Hospitalization Program
Psychiatric Health Facility (PHF)	135	146	School-Linked Health Center
Psychiatric Residential Treatment Facility (PRTF)	20	24,689	Sobering Center
Recovery Residence/Sober Living Home	28		
Short-Term Residential Therapeutic Program (STRTP)	41		
Social Rehabilitation Program	64		

¹ Defined as the addition of new behavioral health slot capacity. It does not include relocation/ rebuilding/re-purposing existing behavioral health slot capacity
² Adolescent Residential SUD Treatment Facility with a DHCS/ASAM Level of Care 3.5 Designation and Withdrawal Management (WM) Designation
³ Adult Residential SUD Treatment Facility with a DHCS/ASAM Level of Care 3.5 Designation and Withdrawal Management (WM) Designation
⁴ Community Residential Treatment/Social Rehabilitation Program with the category of Short-Term Crisis Residential only
⁵ Mental Health Rehabilitation Center (MHRC) only with Lanterman-Petris-Short (LPS) Designation

*Point in time data, June 2023. Ongoing updates are available in the BHCIP data dashboard at <http://dashboard.buildingcalhhs.com/>

For purposes of the BHCIP program, “slots” is the unduplicated number of persons served by the facility on an annual basis. For example, the number of clients served in a mental health



clinic, or the number of patients served by a partial hospitalization program or CSU. Counts are unduplicated, meaning each client is counted only once, no matter how many times they may have received the same service during the year.

